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ABSTRACT

This workbook was prepared for those interested in starting their own business, as well as business owners with many years experience who have never developed an organized promotional program. Introductory sections explain how to use the workbook and stress the need for promotion. The next sections outline the steps and ask users to respond to questions related to the following aspects of marketing: (1) review of current marketing activities; (2) marketing research; (3) advertising; (4) establishing promotional priorities; (5) matching objectives to the product lifecycle; (6) the progression of advertising; (7) market positioning; (8) advertising media and their advantages and disadvantages; (9) using media in an advertising campaign; (10) developing a fact sheet for use in advertising; (11) developing an effective advertising message; (12) isolating the important elements for advertising copy; (13) developing a strategy worksheet; (14) planning for public relations; (15) monitoring public relations opportunities; (16) using three common public relations tools; (17) developing an action plan for sales; (18) preparing printed sales materials; (19) developing an action plan for passive sales; (20) promotional incentives; (21) budgeting; (22) working with consultants and agencies; and (23) setting up a timetable. A list of resources to use in promotional planning is included. (UCM)

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Small Business Marketing

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Small Business Marketing

A Workbook For Small Businesses in Oregon

Chris Pryor

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Preface

This workbook has been prepared for distribution by the Oregon Small Business Development Center Network. It is for those interested in starting their own business, as well as business owners with many years experience who have never developed an organized promotional program.

Promotion is the action element of marketing. Promotion includes EVERY instance of contact you have with our customers, and everything you say or do that might influence how you are perceived by them. And while advertising is, and always will be, an extremely important part of good marketing, it isn't all there is. The main objective of this workbook is to show how to use all the different promotional options you have available to you.

Good promotion depends on good planning. This workbook is an extension of the information contained in Your Marketing Plan. It is strongly advised that you complete Your Marketing Plan before you attempt this workbook. Otherwise, many of the concepts and terms used in this workbook may be confusing.

Chris Pryor is Director of Marketing Services for Cawood Communications, Inc., a marketing and public relations organization based in Eugene, Oregon. His responsibilities include client market planning and strategy development and implementation. Pryor has experience working with both public and private organizations. He most recently developed the overall marketing plan for the Eugene/Springfield Metropolitan Partnership's industrial recruitment effort. Pryor is a part time instructor at Lane Community College, is active in the American Marketing Association, International Association of Business Communicators, the City of Eugene's Business Assistance Team, and is President of the Southern Willamette Private Industry Council.

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How to Use This Workbook

This workbook will become the "blueprint" for your business marketing. Each section will cover a specific area of market planning. Each section will also contain fill-in pages where you can insert information about your own organization.

Step 1. Read the workbook quickly to get a "feel" for its layout

Step 2. Read the workbook more carefully but do not fill in the blanks

Step 3. Begin to fill in some of the work sheets

It isn't absolutely critical that you do this workbook in order. If you find a page you can do easily, then by all means fill it in. But, as you complete each section of the workbook, you may want to go back and change some of your assumptions, so. . .

WORK IN PENCIL

As noted in the Preface, much of the information required in this workbook is based on that developed in *Your Marketing Plan*. If you have completed that workbook, use it and transfer figures where possible. If you haven't completed *Your Marketing Plan* you can still use this workbook, but you may find it easier if you complete *Your Marketing Plan* first.

Step 4. Identify pages you can't complete right now

No one can answer every question in this book without looking up information. Some questions will require "hard" information, like numbers and percentages, others will require "soft" information which is either your best guess, or an assumption based on some other factor.

Step 5. Complete all the pages in this workbook

Step 6. Use the information you have complied in this workbook

Refer to it as you perform your advertising tasks. Everything in this workbook is necessary and important to effective promotion.

The Need for Promotion

Why do People Have to Promote Themselves?

Imagine throwing a party and not telling anyone about it? You may have the most exciting products or the finest service available, but you must let people know they exist. Most small business owners don't understand the importance of advertising. Competition for customers is keen, and the world has grown too large for most businesses to rely only on "word-of-mouth" as their principal form of advertising.

Does Promoting Really Work?

If done right, yes. However, under certain circumstances advertising won't work. Advertising will fail if the wrong products are being offered at the wrong price or time. Advertising will work incredibly well if it's done right. Advertising is a highly effective means of bringing customers to your business. But if you don't have the products customers want, at a price they are willing to pay, they won't buy. YOU will have failed - not your advertising.

But I Already Advertise!

Probably you do. But most small business owners don't use their advertising effectively. They don't create messages that work well with their customers or they fail to reach their customers with that message. This workbook can provide you with the tools to improve the advertising you're already doing.

Does it Have to be Expensive?

No. But it may cost more than you THINK it should. The most effective advertising is that which does the job without wasted time or money. By learning more about which media can do the best job and how to prepare messages which take advantage of that medium's strengths, you can make the best use of your advertising dollars.

Can I Hire Someone to do it for me?

Yes. But this workbook is designed to enable you to do many of your advertising tasks yourself. You will establish your own promotional outline and determine which media best suit your needs. You will be able to write your own advertising copy, or review copy written for you by someone else. Best of all, when you do reach that point when you need professional help, you will save time and money by having identified much of the information an agency needs in order to develop an advertising program for you.

A Word about Artwork and Production.

The creation of effective advertising artwork and layouts, or quality radio and television production is not easy. The work that graphic artists, designers and producers perform requires years of experience. Poor advertising production is worse than no advertising at all because you may get no results and may even create a poor image for your company. Resist the temptation to try and do your own artwork.

Not all advertising situations require that you hire an advertising agency. In many instances a television station can help you produce TV ads or a radio station can help write your radio ads. This workbook will help you create the basic elements of good advertising which can then be quickly and effectively produced.

Current Marketing Review

Step 1. Inventory your current promotional programs

If you have completed *Your Marketing Plan*, refer to pages 36-41. In this section you developed an inventory of your current promotional efforts.

The tools of your Action Plan include Advertising, Public Relations, Sales and Incentives. To understand what you need to do in any of these areas you must first assess what you are already doing and WHY you're doing it. You may decide to keep many of your current programs.

Step 2. Describe your current advertising

Using information you assembled on page 37 of *Your Marketing Plan*, explain why you are using the advertising activities listed.

Step 3. Describe your current public relations activities

Use the information you assembled on page 39 of *Your Marketing Plan*.

Step 4. Describe your current sales program

Use the information assembles on page 41 of *Your Marketing Plan*. Describe in detail why you use sales representatives or other forms of personal sales contact. Include information regarding the size and duties of your sales force.

Step 5. Describe you current sales incentives program

Incentives are those things you do which help motivate a customer to buy a product now, as opposed to later. Examples might include sales events, coupons, time limits, displays, specials, etc. Explain your use of incentives, including when you use them, why, and what you expect to achieve by using them.

Step 2. Current Advertising

Step 3. Current Public Relations Activities

Step 4. Current Personal Sales Program

Step 5. Current Incentive Program

Marketing Research

Marketing research should be the starting point for any market planning or promotion development. Smart advertisers use marketing research to locate and identify their customers, develop products to meet customer needs, and select the most effective ways to communicate information about the product to these buyers. The more you know about your customers, the more effective and economical your advertising will be.

There are three types of research available: **a**. information available to everyone in your industry (known as secondary sources), **b**. research you do yourself, and **c**. research you pay to have done.

Step 1. Locate secondary sources of information available to your business

Use the following checklist to help you.

Your customer files - Most companies keep some kind of records about clients, employees and sales calls. Invoice records offer a valuable source of information about who bought what, when, and for how much.

U.S. Census - The U.S. Census has information concerning both the buying public and your industry. This information is available in the reference section of most public or university libraries.

Associations - Most industries have a national association, and these association often spend thousands of dollars a year on researching their industry. This can be one of your most valuable sources of information.

Data Bases - With a computer and a modem you can access data bases located all over the country. These data bases contain everything from product and customer information to market trends and statistics.

Libraries - The reference section of most large libraries provides a wealth of information on market conditions, business topics and commercial activities. The reference librarian can help you find what you need. Your SBDC has information regarding market research.

The Small Business Administration - You can get in touch with the SBA through your local Community College or through the SBA main office in Portland (see page 58 for the address).

You will find a list of other resources at the end of this workbook which will aid you in formulating your promotions. You may already know the trade publications available in your industry. If you don't, go to the public library, or your SBDC, and consult the reference librarian.

Step 2. Conduct an in-house survey of your customers

Print these questions on a half sheet of paper and distribute them to customers on a random basis. Ask them to please fill it out and drop it in a box by the entrance. Give them a pencil.

You can ask other questions if you wish, but keep in mind the fundamental limitation of all in-store surveys is that no direct judgement questions should be asked. It is human nature to try and please others or gain status through the answers one gives to questions. You will only get truthful answers when the respondent cannot see any possible value in answering any other way.

You may also wish to refer to page 66 of *Your Marketing Plan* for a sample customer satisfaction survey.

Step 1. Checklist of secondary sources

	Maintain Internally	*Have Access to*	*Need to Locate Source*
1. Your Customer files	( )	( )	( )
2. U.S. Census	( )	( )	( )
3. Associations	( )	( )	( )
4. Data Bases	( )	( )	( )
5. Libraries	( )	( )	( )
6. The SBA	( )	( )	( )

Step 2. Sample in-store survey questions

1. Which radio station do you listen to *most* often? _____
2. Which section of the newspaper do you read *most* often? _____
3. What is your residential zip code? _____
4. About how many miles from this store do you live? _____
5. Have you ever visited this store before? ( ) Yes ( ) No
6. How often would you say you visit this store?
   ( ) more than once a week ( ) 1-4 times a month ( ) Less than once a month
7. What brought you to the store today? _____
8. Sex ( ) Male ( ) Female
9. Age range ( ) 18-30 ( ) 30-50 ( ) 50 or more

Step 3. Complete the research organization evaluation form

Sometimes the complexity of the information you need requires you to use an outside research firm to do the work. Subjective questions dealing with why people feel the way they do or their opinions regarding a subject, require careful wording and execution to ensure accurate answers. Don't try to get this kind of information yourself. Although people will answer your questions, they will often give incorrect, or incomplete information. In marketing, the wrong information is definitely worse than no information at all.

To be effective, a third (impartial) party such as a professional marketing research organization, is required to gain the information.

Selecting a good research company is as important as selecting a good advertising agency. Market information *must* be accurate or it is worthless. The usefulness of market research suffers significantly when you try to do it too cheaply. Avoid the natural temptation to buy the most inexpensive research you can.

In evaluating a research organization, consider the following factors:

Questionnaire design - The value of research rests in the accuracy of the response. Questionnaire design requires skill and experience.

Implementation capability - Don't let the firm sell you the type of research they know how to do. Buy what you really need.

Data processing - Does the firm use a computer? Does it have a qualified data processing staff? Is the firm using a "canned" program, or writing its own tabulation programs?

Analysis - The analysis is the most important part of the report. It's what you're really paying for. The analysis should be thorough, concise, and not make assumptions.

Previous experience - Not necessarily in your specific industry (although it helps) but rather experience with the types of projects you want to do.

Staff - Does the firm have adequate staff to do the work? Are they qualified? Do they care?

Step 3. Research organization evaluation form

Name _____

Address _____

Phone _____

Name/s of principle/s _____

EVALUATION CRITERIA	COMMENTS
( ) List of current clients	_____
( ) Samples of work done	_____
( ) References from clients	_____
( ) Facilities and staff	_____
( ) Company materials	_____

In the spaces provided evaluate the firm's capabilities

Has this agency has done research for a similar business?

_____

Can I work with the individuals who would be handling my account?

_____

What experience does this firm have in questionnaire design?

_____

Is the firm fully capable in all forms of implementation?

_____

What data processing capability does the firm have?

_____

Who will do the data analysis and what are their qualifications?

_____

Advertising: The Action Plan

Advertising is any form of paid communication and promotion of your products or services. The purpose of advertising is to:

1. *Attract Attention*
2. *Present a message*
3. *Stimulate action*

Step 1. Define the conditions which warrant the use of advertising

Advertising is not always the best solution to all marketing situations. For example, you may live in a community which has no radio or television stations of its own. Buying commercials on a radio station in a nearby community, even if the signal reaches your audience, means you may be paying to reach a lot of people who will never buy your product. You may not want to advertise during certain seasons of the year because people don't buy then, or advertise at certain times of the day because people aren't listening or watching. Some products, such as liquor and cigarettes, require careful advertising management to avoid being accused of corrupting minors.

In evaluating when to use advertising, concentrate on such things as:

1. *Is there a particular period when most of the buying is done?*
2. *Is there a medium available that can zero in on your target market?*
3. *Can the product sell itself in the brief format most advertising employs?*
4. *Can you produce advertising materials of adequate quality and appeal?*
5. *Is the market receptive to advertising messages?*
6. *Do you have an adequate budget to spend on advertising?*
7. *Would advertising be socially or morally objectionable?*

Step 2. What do you expect to achieve through advertising

Advertising should ideally accomplish three goals:

1. *Create an awareness of your business.*
2. *Create an impression of significant superiority over your competitors.*
3. *Stimulate the desire and motivation to act.*

In the space on the right, indicate specific advertising goals you have in each of these three areas.

Step 3. Controls

Advertising campaigns can consume large amounts of money in a very short time and accomplish nothing unless you use a specific set of controls to govern when and where you will advertise. These controls should provide for a maximum allowable budget, an expected result in sales or goodwill, desired impact on visibility, duration of the campaign, anticipated effect on store traffic or inquiries, and allowable cost per customer reached. In the space provided at right indicate your limits for each type of advertising you plan to do. Use the goals on page 54-57 of *Your Marketing Plan* for additional help.

Step 1. Whether to advertise

1. Buying period _____
2. Target media _____
3. Brief selling points _____
4. Source of quality ads _____
5. Probable reaction to ads _____
6. Adequate budget $ _____
7. Social or moral objections _____

Step 2. Anticipated benefits of advertising

1. In customer awareness _____
2. In company image _____
3. In product acceptance _____
4. In competitive position _____
5. In customer satisfaction _____
6. In volume of sales _____

Step 3. Controls

1. Budget _____
2. Expected sales _____
3. Visibility _____
4. Duration _____
5. Traffic _____
6. Cost per Customer _____

Establishing Promotional Priorities

Few businesses can afford to conduct every kind of promotion at the same time, nor is it a good promotional strategy. Since different forms of promotion work differently on each market group, marketers concentrate their efforts and resources on those forms which have the greatest influence on *their* customers.

Step 1. Complete the following table for each product or service you sell

Step 2. Evaluate your product in terms of the factors listed below

Each of the following questions deals with a particular factor governing the marketability of your product. Answer each question in the corresponding blank line on the next page.

1. *How does your price increase customer interest?*
2. *How does your quality create preference for your product?*
3. *In what way is the variety or selection of your products important?*
4. *How can your customer service create customer satisfaction?*
5. *How does the reliability of the product build customer trust?*
6. *What is positive about your product's image?*
7. *How does the availability of your product effect sales?*
8. *How does the appearance of the product stimulate an impulse to buy?*
9. *What is the competition doing to take sales away from you?*
10. *How does your location improve customer traffic?*

Step 3. Assign each factor a relative promotional priority

Gauge the relative importance of each of these factors on the product's overall marketability. For example, if your product currently has low customer visibility, you would place a high priority on reaching customers. If your location is not an important factor to making sales, building customer traffic will have a low priority.

You should also compare your priorities on this worksheet with those formed on page 61 of *Your Marketing Plan* in order to coordinate them. Ideally, your organizational marketing priorities should coincide with those of each individual product. It's best to promote the product *and* the business with the same priorities, at the same time.

Step 4. Note which quarter of the year is your "peak" promotional time

Most businesses have a seasonal cycle of sales. Christmas, for example, can often represent as much as 50% of a retailer's income. You will want to reserve sufficient budget to promote effectively during peak times of the year.

It may be helpful to use the information on pages 42-45 of *Your Marketing Plan* to assist you in defining your peak promotional times.

Step 1. Product identity

Product _____

Steps 2 & 3. Promotional priorities

1. Price _____
   Priority Level: ( )High ( )Moderate ( )Low
2. Quality _____
   Priority Level: ( )High ( )Moderate ( )Low
3. Variety _____
   Priority Level: ( )High ( )Moderate ( )Low
4. Service _____
   Priority Level: ( )High ( )Moderate ( )Low
5. Reliability _____
   Priority Level: ( )High ( )Moderate ( )Low
6. Image _____
   Priority Level: ( )High ( )Moderate ( )Low
7. Availability _____
   Priority Level: ( )High ( )Moderate ( )Low
8. Appearance _____
   Priority Level: ( )High ( )Moderate ( )Low
9. Competition _____
   Priority Level: ( )High ( )Moderate ( )Low
10. Location _____
    Priority Level: ( )High ( )Moderate ( )Low

Step 4. Peak promotional period

( )First Quarter ( )Second Quarter ( )Third Quarter ( )Fourth Quarter

Matching Objectives to the Product Lifecycle

Every product has a lifespan, and your promotional priorities are also influenced by that product's place in its lifecycle. For example, promoting customer availability for an established product is generally different from that of a new one. Pricing considerations for a declining product are considerably different than those for a growing one. Competition among new products is often keener than among established ones.

Step 1. Copy the following worksheet for each product you sell

Step 2. Assign each product a place in the product lifecycle

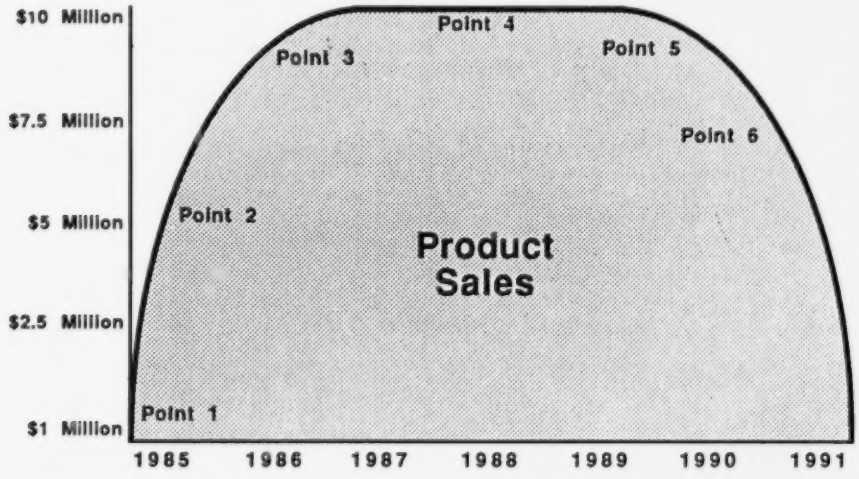
Some of the factors influencing a product's position in the product lifecycle include length of existence, visibility, familiarity with customers, frequency of use, and popularity over alternative products.

Specific Points in the lifecycle	Examples today
1. New Product - Just introduced, has little visibility.	*Biologically engineered organisms*
2. Growing Purchase - People discover the product.	*Personal computers*
3. Established Position - Recognized in marketplace.	*Unleaded gasoline*
4. Maturity - Purchase is regular and habitual.	*Campbell's Soup*
5. Loss of Value - Product begins to lose sales.	*Cigarettes*
6. Declining Purchase - Significant decline in sales.	*Anything "Disco"*

Step 3. Determine your promotional objectives

Keeping in mind the priorities you established on page 15, determine your promotional objectives for the product. For example, a new product might require you to build name familiarity during high pay periods. Established products may need to reinforce the existing inclination to buy because new products are being introduced. Declining products may need ways to generate new markets. Organize your objectives by quarter to accommodate the peaks and valleys of the buying cycle noted on page 15.

Sample Product Lifecycle

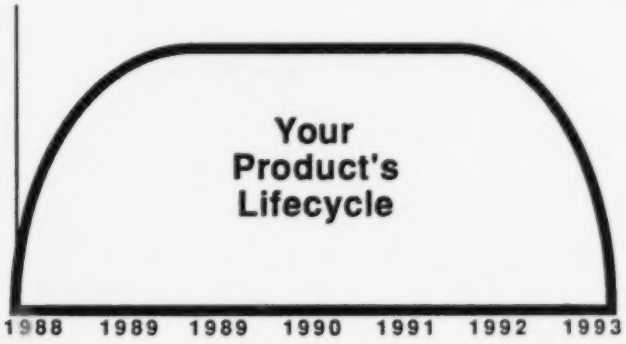


Step 1. Product identity

PRODUCT _____

Step 2. Position on the product lifecycle

1( ) New Product
2( ) Growing Purchase
3( ) Established Position
4( ) Maturity
5( ) Loss of Value
6( ) Declining Purchase



Step 3. Objectives for improving product sales

First Quarter

_____

_____

Second Quarter

_____

_____

Third Quarter

_____

_____

Fourth Quarter

_____

_____

The Progresssion of Advertising

The advertising you create to accommodate your priorities should follow a logical progression. This progression is based on a few simple principles:

1. *People will not buy something they don't like or care about.*
2. *People don't generally like or care about things they do not understand.*
3. *People can't be expected to understand anything they're not familiar with.*

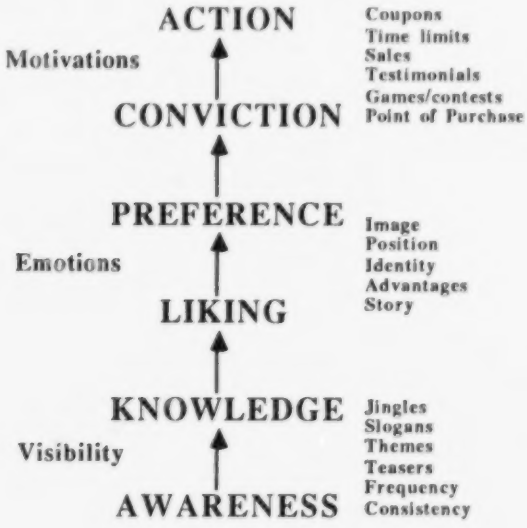
You shouldn't expect people to be motivated to purchase by a discount on a product they are not familiar with.

Step 1. Copy the following worksheet

Complete for each product you sell. Note how long you have been selling the product under its current brand name.

Step 2. Place your product on the advertising ladder

The following chart represents the logical progression of advertising used at each stage of a product's lifecycle. New products start at the bottom of the ladder because they need to build awareness. Older products, with established visibility, might start further up.



Step 3. List advertising tactics to help move the product up the ladder

Based on its position on the advertising ladder, note which advertising tactics will aid your product in moving up the ladder. Although you can incorporate elements of all the tactics in your advertising its main point should reflect its true position on the ladder. Don't try to move to the next level before you have effectively established yourself in the one before. Plan your activities by quarter as well. It is important to allocate the majority of your advertising budget during the times when people normally buy the product. Choosing activities by quarter also allows you to plan your natural progression up the ladder.

Step 1. Product identity

PRODUCT_____

AGE OF PRODUCT_____

Step 2. Check your position on the advertising ladder

( ) *Awareness* of product

( ) *Knowledge* about product

( ) *Liking* of product use/usefulness

( ) *Preference* over competition

( ) *Conviction* to buy at some future date

( ) *Motivation* to act now versus later

Step 3. Useful advertising tactics

BUILDING VISIBILITY

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Jingles				
Teasers				
Slogans				
Frequency				

BUILDING EMOTION

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Image ads				
Corporate ads				
Positioning				
Advantages				

BUILDING MOTIVATION

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Price breaks				
Time limits				
Testimonials				
Point of Purch.				

Market Positioning

The image you *project* to your customers is half of good marketing. The position you assume in relation to your competitors forms the basis of your image, and is the heart of effective promotion.

Good marketers aren't content to duplicate other companies or be just another member of the pack. They seek their own unique niche in the customer's mind. Good positioning means building PREFERENCE over the competition.

Step 1. Determine your competitive advantage

Transfer the information from pages 25 of *Your Marketing Plan* regarding your advantages over your competition. If you have not completed *Your Marketing Plan*, make a list of specific advantages you offer over your competition.

Advantages over competition:

_____

_____

_____

_____

Step 2. Complete the positioning inventory

Place a check beside those statements which you feel you or your products can legitimately claim to be (check only those where you can answer yes):

_____ First
_____ Largest
_____ Oldest
_____ Friendliest
_____ Highest quality
_____ Most accessible
_____ Most convenient
_____ Newest
_____ Only
_____ Most reliable
_____ Other _____

_____ Most unique/unusual
_____ Most consistent
_____ Most economical
_____ Best selection
_____ Most expertise
_____ Best reputation
_____ Most attractive
_____ Best service
_____ The Best (period)

Step 3. Describe the market position you wish to achieve

How do you want customers to see you in relation to your competitors? Is there anything you alone can claim to be, that is unique or superior to your competitors?

_____

_____

_____

Step 4: List the steps you will take to reinforce this position

A. _____

_____

B. _____

_____

C. _____

_____

D. _____

_____

E. _____

_____

Step 5. Position Reinforcements

For each positive response listed in Step 2, identify two things you can do to reinforce that market position:

A. 1. _____

2. _____

B. 1. _____

2. _____

C. 1. _____

2. _____

D. 1. _____

2. _____

E. 1. _____

2. _____

Advertising Media: Advantages and Disadvantages

1. NEWSPAPERS

Advantages

- Tangible medium, reader can clip ad, save
- Allows advertiser to include great detail if necessary
- Enjoys great credibility and acceptance with readers

Disadvantages

- Circulation has steadily declined, doesn't equal readership
- Deadlines constrain copy, layout
- Passive medium. Reader can select what ads to read.

2. MAGAZINES

Advantages

- Can offer optimal target marketing
- Frequently highest quality production
- Allows advertiser to include great detail if necessary

Disadvantages

- Passive medium (see newspapers, above)
- Advertising clutter means low readership recall
- extreme deadlines constrain copy, layout

3. DIRECT MAIL/DIRECT ADVERTISING

Advantages

- Offers optimal target marketing
- Response rate can easily be measured
- Can cover every household

Disadvantages

- Traditionally low response rate
- Requires lengthy preparation and lead time
- Difficult to control delivery

4. YELLOW PAGES

Advantages

- Callers are already in market when they call
- Copy can be long, full of information
- High penetration (everybody has access to them)

Disadvantages

- Longest deadline lead time, inflexible
- Passive medium (see newspapers, above)
- Cannot include price information unless fixed over long period

5. SHOPPERS/PENNY SAVERS

Advantages

- Effective to reach buyers about to make decision
- Appeals to price conscious
- Allows advertiser to include a lot of detail

Disadvantages

- Small reach (limited readership usually duplicated in other print media)
- Frequently low quality production
- Rarely read thoroughly, discarded quickly

6. OUTDOOR/TRANSIT (Billboards)

Advantages

- Location
- Size, impact
- Highly effective for simple ideas

Disadvantages

- Inflexible, changes difficult
- Messages can physically deteriorate
- Both have negative image, subject to much regulation

7. RADIO

Advantages

- Reach, 95% of people listen in a week, 75% in a day
- Extremely good for targeting demographics
- Active medium (listener hears everything broadcast, can't opt not to hear commercials easily)

Disadvantages

- Advertiser cannot include much detail
- Proliferation of stations breaks up audiences/demos
- Certain dayparts of little value

8. TELEVISION

Advantages

- High production values available, creativity
- Highest reach per single exposure
- Can demonstrate product or service

Disadvantages

- Audiences increasingly fragmented (new channels)
- Increasingly limited to nighttime viewing
- Highest media costs

9. SPECIALTY ADVERTISING (caps, calendars, buttons, pens, etc.)

Advantages

- Ability to target into specific markets
- Usefulness of product insures longevity of message
- Allows for personalized messages

Disadvantages

- Limited space for messages
- Long production and delivery times
- Difficult to evaluate effectiveness

Using Media in Advertising

In any advertising campaign there are two elements: the medium (the path of communication) and the message (the idea being communicated). Good media use involves selecting the right medium to reach your audience. Newspaper is not always the best choice (although many small business owners tend to use newspaper exclusively) nor the only choice. Using a mix of media can create a total advertising package greater then the sum of the individual parts.

Step 1. Copy the following table

Complete for each medium you plan to use in your advertising.

Step 2. Prepare an advertising media evaluation

Using the list of the advantages and disadvantages of various media located on pages 22-23, assess the media you plan to use in each of the following areas.

1. *Adequately reaches current customers.*
2. *Adequately reaches new customers.*
3. *Allows use of detail in an interesting way.*
4. *High quality reproduction.*
5. *Is an active medium.*
6. *Has credibility with potential customers.*
7. *A tangible medium - can be saved.*
8. *Format allows flexibility in messages and visuals.*
9. *Has instant impact and appeal.*
10. *Allows the product to be demonstrated.*
11. *Can target specific demographic groups.*
12. *Has a reasonable production lead time.*
13. *Can evaluate results.*
14. *Not limited in terms of when you can use it.*
15. *Messages can be remembered.*
16. *Is cost-effective for your target market.*

Step 3. Evaluate the relative strengths and weaknesses of each medium

Note the major strengths and weaknesses of the media. Based on this table, rate each medium in overall terms and evaluate your current advertising and determine if you are using the right media for your needs.

Step 4. Select the media you feel will accomplish your objectives

Rate each of the mediums by its ability to accomplish your specific advertising objectives. You may only have one or two that rate highly, or differing objectives may require a mix of several. Those that rate highly will become your primary media mix. Those that rate medium will become secondary media.

Step 1. Media being evaluated

Medium:_____

Step 2. Relative effectiveness

	Yes	Somewhat	No
1. Reaches current customers	( )	( )	( )
2. Reaches new customers	( )	( )	( )
3. Allows use of detail	( )	( )	( )
4. High quality reproduction	( )	( )	( )
5. Active medium	( )	( )	( )
6. Credibility with customers	( )	( )	( )
7. Tangible medium	( )	( )	( )
8. Format flexibility	( )	( )	( )
9. Impact and appeal	( )	( )	( )
10. Allows demonstration	( )	( )	( )
11. Targets demographic groups	( )	( )	( )
12. Reasonable production time	( )	( )	( )
13. Can evaluate results	( )	( )	( )
14. Not limited	( )	( )	( )
15. Memorable	( )	( )	( )
16. Cost-effective	( )	( )	( )

Step 3. Evaluating strengths and weaknesses

Greatest strength of this medium _____

_____

Greatest weakness of this medium _____

_____

Overall evaluation of this medium_____

_____

Step 4. Media rating

	High	Medium	Low
Ability to reach target audience	( )	( )	( )
Ability to present desired message	( )	( )	( )
Ability to accomplish objectives	( )	( )	( )
Overall rating	( )	( )	( )

Advertising Fact Sheet

Most media representatives and advertising agencies rely on a basic fact sheet about their clients in order to effectively develop advertising messages and select media channels.

The following abbreviated worksheet provides a fast reference for the most important features of your company. It covers its advantages, and other competitive information to be used when writing ad copy about the company.

Step 1. Identify the company

Complete this worksheet if you plan to use advertising to promote your business.

Step 2. Evaluate the company's function and service

Describe the physical and functional characteristics of the company. Include information on its intended purpose, basic form of operation, physical appearance, and quality of service.

Step 3. Competitive information about the company

Answer the following questions about the company's primary competition. Include information about alternative companies that sell these products, characteristics that distinguish your company from its competition and your company's strongest selling points.

Step 4. Characteristics of the company's target market

Who is the target market for the company. Describe by age, sex, income, occupation, education and location. When do customers most often make purchases?

Step 1. Company identity

Name of Company _____

Type of business _____ How long in existence?_____

Step 2. Company function/service

What does your company do? _____

How well does it work? _____

How good does it look? _____

How good is the service? _____

Step 3. Competitive information

List four competitive companies.

1._____ 3._____

2._____ 4._____

List the major products these competitors are selling.

1._____ 3._____

2._____ 4._____

Describe any recognizable or exclusive competitive advantages of your company.

_____

List at least four of your company's strongest selling points.

1._____ 3._____

2._____ 4._____

Step 4. Market characteristics

Who are the TARGET customers for your company?

_____

When is the best time of year to promote the company?

_____

Your Advertising Message

To be effective in your advertising you must develop an effective message to communicate to your customers. This message must explain who you are and why someone should buy your product in as simple a manner as possible. It must also stimulate the interest of the buyer.

People are bombarded with thousands of visual and audio messages every day. As a result they often "tune out" all but the most attractive, or stimulating advertisements. Some simple concepts can help you get your message through to your customers.

Step 1. Use the following suggestions to outline your advertising themes

a. *Plan around a single idea or thought* - Simple messages are best. Try to convey your message in a few well-chosen words.

b. *Identify yourself* - Mention your store or product name enough times in each ad to insure it will be remembered.

c. *Be visual* - Pictures are not only interesting but help communicate the message in ways words can't.

d. *Be consistent* - People can't relate to things that change each time they see them. They need to hear or see the same thing repeated several times before they remember it for any length of time.

e. *Speak to your customer's values and desires* - Find out what your customers *want*, and develop advertising that sells to these values.

f. *Be understandable* - Don't use too many words, or words that are difficult to understand.

g. *Sell the result, not the means* - People care *first* about what a product will do for them. Only afterward will they consider its particular features. To use an example cited by many marketing professionals. "People don't buy drills... they buy ways to make holes!"

h. *Put the reader in the ad* - Address the ad to the reader by using "you" in the copy. Instead of saying "This brewer makes great coffee", say "This brewer will make *you* a great cup of coffee!"

Step 1.

a. What is your simple advertising message?

b. How should you identify yourself?

c. What is a good visual element of your product/business?

d. What should all your ads have in common?

e. Why do buyers need this product?

f. Can you summarize your message in ten words or less?

g. What is the positive result of using the product?

h. How can you put the reader in the ad?

32

Copythink

"Copy" is the term advertisers use to describe the body of text written for an ad. The copy will often clarify a headline or explain a picture, in addition to describing the product. Advertising copy should be interesting and should touch the buyer personally. Advertising copy should stress the reasons for buying your product or service.

"Copythink" is designed to help you isolate the important elements for your ad copy, and provide an outline around which the actual advertising copy can be written.

Step 1. Complete the following worksheet for each product you sell

Step 2. Identify your product's selling points

Selling points are physical attributes, or physical characteristics of the product that contribute to its desirability. Ideally, a product should have more than one selling point. Examples of typical selling points and the products that use them include:

Selling Point	**Example**
Usefulness	*Tools*
Appearance	*Clothing*
Quality	*Health care*
Uniqueness/Rarity	*Art*
Prestige	*The first or most expensive of anything*
Availability	*Neighborhood stores*
Personal Gratification	*Cigarettes*
Convenience	*Fast food*
Reputation	*Haagen Das Ice Cream*
Familiarity	*Kleenex*
Personal Taste	*Food, Perfume*
Service	*Mechanics*
Price	*Paper clips*

List on the following page those selling points that apply to your product. Use the list above for examples, or develop your own selling points. However, they must have a tangible impact on customer desire or need to be considered legitimate selling points

Step 3. Identify your product's benefits

Benefits are the satisfactions derived from using the product or service. Examples of benefits might include such features as convenience, availability, usefulness, appearance, prestige, familiarity, quality, speed or cost. The following example illustrates the basic elements of Copythink.

Example: Pampers

Selling points: disposable, pre-packaged, plastic, have gathered or non-gathered legs.
Benefits: convenience, economy, easy, peace of mind, dry baby bottoms.

Step 1. Product identity

PRODUCT:_____

Time of Promotion:_____

Step 2. Selling points of your product

Selling points

Step 3. Product benefits

Benefits

Strategy Worksheet

Good planning can save you time and money when you put your ad campaigns together. It will be a valuable tool when you are working with more than one advertising medium at a time and with more than one representative of each medium.

Use the Strategy Worksheet to track your advertising and promotional efforts.

Step 1. Copy this worksheet

Use it in conjunction with the Advertising Fact Sheet on page 27.

Step 2. Identify the product or service you will be advertising

Step 3. Identify the customers you wish to reach

Step 4. Note the media you will use and when you will use it

Step 5. Note the theme of the advertising

Step 6. List the selling points and benefits if production is to be done

Step 7. Note how the advertising should be illustrated

Indicate what type of artwork you need, and the message you wish the advertising to convey. These should be consistent with your desired market position.

Step 8. Determine co-op availability

Frequently, manufacturers offer to share the cost of any advertising you do which promotes their brand names. This is called "Co-op" or Cooperative advertising. Considerable documentation is required to obtain reimbursement, but most media representatives are well aware of the paperwork requirements. Note if co-op is available and if you have asked for and received documentation.

Note: You may want to develop these plans on a quarterly basis in order to accommodate changes in the buying season, or to coordinate several campaigns.

Step 2.

Product to be advertised:_____

Date_____ For time period_____
to_____

Step 3.

Target market_____

Step 4. Media (attach separate sheets, schedules if appropriate)

Newspaper_____ Direct Mail_____
_____ _____

Radio_____ Outdoor_____
_____ _____

Television_____ Other_____
_____ _____

Step 5. Advertising message

Copy
theme_____

Step 6.

Selling points Benefits

_____ _____
_____ _____
_____ _____

Step 7.

Describe art or visuals.

_____
_____

Describe desired message.

_____
_____

Step 8. Co-op advertising

Co-op available?_____ Requested documents?_____ Received?_____

Public Relations: The Action Plan

Public relations is a planned effort to influence opinion through non-paid publicity. It is one of the most under-utilized tools for the small business owner. Public relations activities are valuable because they are relatively low-cost and enjoy a high level of credibility. Studies show that consumers more often believe what they read or hear in the news than they see or hear in paid advertising. Good public relations provides strong reinforcement to an existing customer base.

Step 1. Inventory your public relations activities

Refer to page 39 of *Your Marketing Plan*. The following list represents some of the more common activities used to promote an organization through public relations. Describe those you have done in the past that worked, and list any ideas you might have for the future.

Events_____

_____

News releases_____

_____

Speeches_____

_____

Contests_____

_____

Audio visual presentations_____

_____

Literature/brochures_____

_____

Trade shows (indirect)_____

_____

Endorsements_____

_____

Specialty items_____

_____

Sponsorships_____

_____

Annual reports_____

_____

Memberships_____

_____

Public Relations Opportunities

Many organizations maximize their use of public relations by keeping a calendar or check-list of potential opportunities for publicity.

The occasion need not be big to justify a call to the local newspaper or radio station. Many news directors are hungry for "offbeat" or "human interest" ideas.

Step 1. Plan for up-coming events and opportunities

You may have the basis for a good news story already in place. Look for unusual things, different ways of doing business, unique products, etc. The following worksheet contains a list of common opportunities that could form the basis for a P.R. event or news release. Use this list to develop your own P.R. opportunities.

Step 2. Establish media contacts

Make a list of the names of the news directors or chief reporters at each radio and television station in town. Find out who covers human interest or business stories for the local paper. Try to visit them at least once and learn what they consider newsworthy.

When an opportunity does arise, prepare a news release and bring it with you when you visit your media contact.

Step 3. Establish service club/organization contacts

Make a list of influential clubs and organizations in your area, and find out the names of their key representatives or directors. Call and arrange a time to meet with them to learn more about their organization. Determine if there are opportunities to make presentations about your industry or your business.

Step 1. Event planning

1. Company anniversary When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

2. New employee hired When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

3. Change of location When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

4. New product/service When_____ _____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

5. Changes in operation When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

6. Employee promotion When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

7. Awards/Displays When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

8. Unusual circumstance When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

9. Other_____ When_____
   PR method recommended: ( )Event ( )News Release ( )Call to Media

Step 2. Media Contacts

TV News Directors_____

Radio News Directors_____

Business Editor at newspaper_____

Step 2. Media Contacts

	Contact		Contact
Rotary Club	_____	Kiwanis	_____
Lions	_____	Elks	_____
JCs	_____	Active 20/30	_____
Cham. of Com.	_____	Prof. Org.	_____
Bus. Club	_____	Other	_____

Public Relations Tools

The following three pages show samples of three common public relations tools. They include a public contact form, a news release format and a public service announcement format. Read them thoroughly and begin to use them where applicable.

Public Contact

This can be a valuable resource in determining how your advertising is working, if your staff is performing effectively, and if your products are satisfying your customers. It is also a way to track questions and concerns. Adapt the form illustrated for use in your business.

News Release

Positive headlines can mean hundreds, or thousands of dollars in increased sales. Most business people don't realize that many of the stories they see in the news about companies are simply the result of a phone call or news release.

News releases should be kept short. If the reporter wants more information, he or she will call. Put the information in a "who, what, when, where, why and how" format with the most important things first. If possible, use a quote or two. Sending a picture also helps. The following is a brief example:

> Joe Blow, Vice President of marketing for Premier Widgets, (*who*) won the coveted National Association of Widgeteers Marketing Excellence Award (*what*) last week (*when*) at the association's national convention in Wagontire, Montana (*where*). Blow was presented the award by John Smith, Association President, as a result of his outstanding contribution to furthering widgets in the American workplace (*why*).
>
> Blow, who had been working with the Association for the past six months, remarked about the campaign " . . . (*a more detailed description of how*).

Ultimately, the newspaper editor will decide whether or not to do a story, and not every news release results in a story. But you must provide the information before you even have a chance at getting coverage..

Public Service Announcement (PSA)

Radio and television stations used to be required by the FCC to devote a percentage of their air time to public affairs programming. Although they are no longer required to do so, they continue to perform this service. PSAs are not advertising and you shouldn't try to use PSAs as a way to avoid buying radio or TV advertising. If you're trying to *sell* something with this approach, a sales representative is sure to call. But *do* make use of public service time to provide valuable information about services which you may offer free, or about activities your business is involved in that benefit the community. Remember this is intended to create visibility, not sell products. An example of an acceptable PSA subject might include the following:

> Premier Widgets, in conjunction with the Oregon Chapter of Worthwhile Causes, is sponsoring its fifth annual Rock Painting and Leaf Raking Festival this Saturday on the Downtown Mall. Events to be scheduled include . . .
>
> For more information on entering the Rock Painting and Leaf Raking Festival, contact Joe Blow at Premier Widgets, 555-1234.

Public Contact Report

Caller_____ Date _____

Address _____ Phone_____

Reason for call/visit: ( )Information ( )Service ( )Complaint

Received by_____

Summary of contact

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____ _____

Action taken: ( ) Referred to _____

( ) Resolved How_____

( ) Incomplete Why_____

( ) Pending Next contact _____

Follow-up: ( ) No ( ) Yes - How_____

Date of Follow-up _____

Result _____

News Release Format

(LETTERHEAD OR PLAIN WHITE PAPER)

Today's date

Your name
Your title
Company name
Address
Your phone number

FOR IMMEDIATE RELEASE (or type here the date you want information released)

SAMPLE HEADLINE

(Double space - Use "who, what, when, where, & why format")

# # #

(If your news release has two or more pages, type the word "MORE" at the bottom of each page until you reach the last page. Then use the "# # #". Use only one side of the paper for copy. Label and number each page.)

Public Service Announcement Format

(LETTERHEAD OR PLAIN WHITE PAPER)

Kill date (you do not wish announcement used after this date)

Your name
Your title
Company name
Address
Your phone number

/center PUBLIC SERVICE ANNOUNCEMENT

(Double space - Describe event, activity or cause. Do not use more than 2 short paragraphs.)

Sales: The Action Plan

Advertising doesn't sell products, people do. Advertising helps make the job easier.

There is no substitute for personal sales in good marketing. Advertising and public relations help to bring a potential customer to a point of feeling they want to visit the store or buy. The final act of making the sale depends on what happens in the store.

Active, or personal, selling is traditionally associated with the use of commissioned or salaried salespeople.

Step 1. Develop a comprehensive sales inventory

The following tools will help you and your sales people become more effective in their sales efforts.

a. *Leads* - Leads, or prospects, are the lifeblood of any active sales effort. Leads come from three basic sources:
   1. Referrals from others.
   2. Advertising leads from a media placement.
   3. Coincidental leads resulting from a "cold call" or a chance meeting.

b. *Service* - 90% of good salesmanship is related to servicing the account. Sales can be lost due to poor follow-through.

c. *Organization* - You won't be successful in developing leads if you aren't organized.

d. *Communication* - You must communicate regularly with your sales people to keep them informed of product or policy changes and improvements.

e. *Attitude* - The image you project is a direct reflection of the attitudes held by your sales people. Try to instill a positive, helpful attitude in your sales staff.

f. *Appearances* - It's important to project a good image if you want people to believe you're good.

g. *Knowledge* - It's important to be knowledgeable about all aspects of your product. Many sales are lost because the salesperson says "I don't know". If you don't know the answer to a question, find out.

h. *Support* - Don't just throw salespeople out on the street and expect them to perform. You must provide organizational, financial and material support. Support materials are discussed more fully on pages 45 and 47.

Complete the inventory on the following page regarding your own sales program.

Step 2. Describe the overall objectives for your sales program

It is important that any salesperson understand clearly what they are working toward. If you have completed *Your Marketing Plan*, refer to pages 52-57.

Step 1. Sales inventory

1. What is your current process for generating leads?

2. How do you evaluate service?

3. How do you organize your sales effort?

4. How do you communicate with your sales staff?

5. How do you monitor staff attitude?

6. How would you change staff appearance?

7. Does your sales staff have good product knowledge? Do you provide continuing training?

8. How do you plan to support your staff organizationally, financially and materially?

Step 2. Overall sales objectives

Sales Materials

Printed materials are not a substitute for good salesmanship, but printed materials must often represent you to your prospective customer. The quality of your printed materials should equal the quality of your personal sales staff.

Step 1. Identify the printed sales materials you currently use

Include any materials you do not produce directly, but may receive from a supplier or manufacturer. Note if you have the option of having the name of your company added or imprinted on them.

Step 2. Note how you use your sales materials

Planning can keep you from wasting sales and help keep your costs down. Include:

- *When to use them*
- *Under what circumstances*
- *Who is to receive them*

Step 3. Identify the printed sales materials you need

After you have evaluated what you already have available, you may decide you need additional sales materials. Confer with your sales staff to determine if additional sales materials are necessary, and if so, have them assist you in developing them.

Assign the preparation of each piece to someone on the sales staff and note the date when you propose to have them complete the work. Have them find out if one of your suppliers or distributors has sales materials they can make available to you.

Be sure to include sales materials in your marketing budget. This is an area often overlooked during the crush to prepare advertising campaigns.

Item	Step 1. Currently use	Step 2. How used	Step 3. Need
PRICE LISTS	( )		( )
CATALOGS	( )		( )
BROCHURES	( )		( )
BUSINESS CARDS	( )		( )
STATIONERY	( )		( )
MAILERS	( )		( )
ANNUAL REPORTS	( )		( )

Passive Sales:The Action Plan

Passive selling represents your final attempt to persuade the customer to buy at the point of purchase. Passive selling is distinct from Active selling in that it does not require a sales representative. Sales clerks are included in the list only because too many clerks operate as inanimate objects, taking money and bagging goods, but never selling the product.

Step 1. Identify the passive sales materials you currently use

Step 2. Note how you use your sales materials

Package design - Is often the only chance a product has to catch the eye of a passing customer. When trying to decide between two or three competitive products, the most attractive is chosen most often.

Point of purchase display - An "in-store advertising campaign" designed to assist in attracting attention, and provide additional incentive for impulse buying.

Hand-outs - Similar to direct mail in function.

Posters/banners - Great attention grabbers, both in the store, and outside where they can be seen from the street.

Window display - The first objective of a promotional campaign is to get people into the store. The better the window display, the better the store traffic.

Sales clerks - Clerks can be "order takers" or "order makers". Don't just ring up the sale. Ask if the customer needs anything else. Make suggestions, try to cross-sell. But *always* be polite and friendly. This will turn a Passive sales tool into an Active sales person.

Step 3. Identify those materials you need

Determine how you plan to use each material, and when.

Item	Step 1. Currently use	Step 2. How used	Step 3. Need
PACKAGE DESIGN	( )		( )
POP DISPLAY	( )		( )
HAND-OUTS	( )		( )
POSTERS/BANNERS	( )		( )
WINDOW DISPLAYS	( )		( )
SALES CLERKS	( )		( )

Promotional Incentives: The Action Plan

Incentives are those things a marketer does to increase the likelihood of making a sale now, versus some point in the future. Incentives can be considered to be "dependent" promotional options because they don't really work effectively by themselves. Incentives work best when used *with* another form of promotion.

Incentives can often breath new life into products at the declining end of their lifecycle. However, the misuse, or uncoordinated use of incentives can be wasteful, and have a negative long-term impact on further marketing activity.

Step 1. Identify the promotional incentives you currently use

Step 2. Note how you use your promotional incentives

Samples - Free samples build the habit of customers using your product and make them feel good about your product at the same time.

Sales (price) - Sale prices imply that the buyer can TEMPORARILY acquire a higher value product at less cost. Don't offer products at sale prices all the time.

Coupons - Coupons represent a great price incentive and work best when they have a time limit incentive.

Time limits - Time limits are one of the most powerful incentives you can use. Nothing gets people to act faster than knowing they only have a short time to make a decision.

Package elements - Coupons on packages, or special two-for-one packages can be very attractive incentives.

Display elements - See Point-of-Purchase on page 46.

Gifts - Free gifts can be effective incentives. But use gifts where they are appropriate. Giving away a toaster with a checking account is no longer as effective as it once was, but a free toy in a box of cereal will always keep kids buying.

Games and contests - People always love to play games. Using games and contests can help motivate people to purchase your product.

Step 3. Identify additional incentives you can use

Determine how you plan to use each incentive, and when.

Incentive	Step 1. Currently use	Step 2. How used	Step 3. Can use
SAMPLES	( )		( )
SALES PROMOTIONS	( )		( )
COUPONS	( )		( )
TIME LIMITS	( )		( )
PACKAGE ELEMENTS	( )		( )
DISPLAY ELEMENTS	( )		( )
GIFTS	( )		( )
GAMES & CONTESTS	( )		( )

Budgeting

Even a modest promotional effort requires some expenditure of resources. The two most valuable resources you have to invest are money and time. What you lack in one resource you can often compensate for with the other. In other words, if you don't have a lot of money to spend on advertising, you can devote additional time in public relations or sales. Business owners who don't have much time, generally compensate with money. But in either case, how much you "spend", and where you "spend" it, should be carefully planned and executed to help get the biggest "bang for the buck!"

There are several ways to determine how much to "spend" on marketing:

Percentage of sales - This can be an average figure for your industry, such as 6%, which you determine based on past performance or by using industry sources.

Activity or task - In this method, the tasks which you need to accomplish determines the budget. Each task is priced out and the total becomes the marketing budget.

Competitive parity - This is the "paranoia" theory of budgeting. You determine what the competition is spending and spend a similar amount.

Arbitrary spending - You spend on impulse without any plan or justification.

Default budgeting - You spend what is "left over" on marketing.

None of these methods is ideal. However if you use a blend of the top three, you can create a budgeting "checks and balances" system that works pretty well.

Step 1. Develop a percentage-based marketing budget

Transfer your projected total income for the next year from page 43 of *Your Marketing Plan*. Multiply this figure by the percentage you wish to devote to marketing. New businesses will probably require a higher percent than established ones. Also, be sure to change the percent to a decimal before you do the multiplication. Percents used in calculations are always expressed as decimals. For example, 25% = .25 when used in a calculation.

Step 2. Develop a task-based marketing budget

Using the objectives you developed on page 17 and the tactics on page 19, add together the amounts you need to spend each quarter to accomplish these tasks. You can get estimated costs for planning, printing, media, artwork, and production from each of your suppliers in order to make your totals as accurate as possible.

Step 3. Develop a competitive-based marketing budget

You can't estimate how much your competitors are spending unless you know what they are doing. Collect samples of their advertising and get estimates from your suppliers on the cost to produce similar pieces.

Step 4. Formulate a comprehensive marketing budget

Compare the three different budgets you have calculated (using an average as a reference point). If there is a wide discrepancy between one or all of these amounts, use your judgement to determine which way you should adjust to reach a final comprehensive budget.

When you have reached a final yearly budget, allocate it among the four quarters according to the priorities and tasks you outlined on pages 15-19.

Step 1. Percentage-based budget

a. Projected income from *Your Marketing Plan.* $_____

b. Percent to be allocated for marketing. _____%

Percentage-based marketing budget (a x .b)

$_____

Step 2. Task-based budget

Cost of tasks planned in first quarter $_____

Cost of tasks planned in second quarter $_____

Cost of tasks planned in third quarter $_____

Cost of tasks planned in fourth quarter $_____

Total of tasks planned for the year $_____

Step 3. Develop a competitive-based marketing budget

Amount spent by your major competitor in:

Radio	$ _____	Mail order	$_____
TV	$ _____	Stationary	$_____
Newspaper	$ _____	Packaging	$_____
Magazines	$ _____	Displays	$_____
Billboards	$ _____	Brochures	$_____
Catalogs	$ _____	Other	$_____

Total spent by competitor in a year $_____

Step 4. Formulate a comprehensive monetary marketing budget

a. Percentage-based budget $_____

b. Task-based budget $_____

c. Competitive-based budget $_____

Average budget amount (a+b+c+3) $_____

Final Comprehensive Budget (adjusted average budget) $_____

Amount of budget to be allocated to:

First Quarter	Second Quarter	Third Quarter	Fourth Quarter
$_____	$_____	$_____	$_____

Step 5. Prepare quarterly promotional budget allocations

Using the information you have just prepared, allocate your budget over the four quarters. You may wish to refer to the information on page 19 of this workbook and page 61 of *Your Marketing Plan* for a list of tasks and activities you must accomplish.

Regarding the allocation of time in your marketing budget

As already noted, time is one of the two main resources you have for marketing. Since no one can tell you how much time you should spend on marketing, or how much time you have, you must allocate this resource according to your own priorities. The following tips, however, might help you in allocating your marketing "time budget".

- The higher up you are in the organization, the more time you should try and devote to "personal marketing", that is getting out and meeting people. People are usually more interested in meeting the head of an organization than a staff member.

- Service businesses, particularly professional and business services, benefit greatly from participation in chamber of commerce, business and civic organizations. However, you must be an active member in order to get the benefit. Active participation gets you noticed and respected, passive membership just eats up time.

- Service businesses rarely have a "product" they can show when selling. This means they wind up selling themselves. One of the best ways to sell yourself is to become established as an expert. Some good ways to do this include teaching a class or holding a workshop on your subject. You might also volunteer your services to a civic organization as a way of gaining visibility in your specific job area. You would be surprised how fast word gets around.

- Try to get out of the office at least once a day. It may be lunch with the chamber of commerce, an early morning reception, or an afternoon meeting with a civic group. Don't view these things as wastes of time. They are valuable opportunities to be seen; and in marketing, being seen is one-third of the goal.

- Entertainment can be a great form of marketing, particularly for salespeople. The secret is not to run up a huge expense account while doing it. Be creative in your choice of business entertainment and you can save money. A lot of products and services are sold on the golf course, over a few drinks, or after a quiet dinner at home.

- Spend some time marketing *inside* the organization. The time you invest in getting to know your employees and their needs is an investment in good image, because employees take their attitudes with them as they serve customers.

- Take the time do do your planning. An hour spent in good planning can save several hours of "fixing" time when something goes wrong. An hour of planning can also save hundreds of dollars in poorly executed advertising. Planning *is* as important as everyone says it is.

Step 5. Quarterly budget allocations

First quarter budget from Step 4, page 51. $_____

Amount allocated to:

Radio	$ _____	Mail order	$ _____
TV	$ _____	Stationary	$ _____
Newspaper	$ _____	Packaging	$ _____
Magazines	$ _____	Displays	$ _____
Billboards	$ _____	Brochures	$ _____
Catalogs	$ _____	Other	$ _____

Second quarter budget from Step 4, page 51. $_____

Amount allocated to:

Radio	$ _____	Mail order	$ _____
TV	$ _____	Stationary	$ _____
Newspaper	$ _____	Packaging	$ _____
Magazines	$ _____	Displays	$ _____
Billboards	$ _____	Brochures	$ _____
Catalogs	$ _____	Other	$ _____

Third quarter budget from Step 4, page 51. $_____

Amount allocated to:

Radio	$ _____	Mail order	$ _____
TV	$ _____	Stationary	$ _____
Newspaper	$ _____	Packaging	$ _____
Magazines	$ _____	Displays	$ _____
Billboards	$ _____	Brochures	$ _____
Catalogs	$ _____	Other	$ _____

Fourth quarter budget from Step 4, page 51. $_____

Amount allocated to:

Radio	$ _____	Mail order	$ _____
TV	$ _____	Stationary	$ _____
Newspaper	$ _____	Packaging	$ _____
Magazines	$ _____	Displays	$ _____
Billboards	$ _____	Brochures	$ _____
Catalogs	$ _____	Other	$ _____

Working with Consultants/Agencies

Consultants are outside advisors who are experts in their respective fields. They give their advice and are paid for this service. They have the advantage of being independent and impartial.

An agency is essentially a consultant with the facilities to perform some or all the tasks required to perform their job. For example, a marketing consultant may counsel you on a course of action but take no active role in its implementation. An agency, on the other hand, can assume the responsibility for performing whatever actions are recommended.

Consultants usually charge by the hour or the project. Hourly fees can range anywhere from $50 or $75 an hour, all the way up to $200 or $1,000 a day plus expenses. Per-project fees usually include an agreed upon set of tasks, and a time limit to complete them. You should arrange to have all overruns and additional expenses approved BEFORE they are completed. Hourly fees are usually used when the advice is intermittent, conducted over short periods, or does not require the extensive use of materials. Per-project pricing is usually more cost effective when large amounts of time, or materials are to be used.

Step 1. Copy the Agency Evaluation Form

Complete this form for each agency you interview. At the very least you should interview two agencies, and ideally three or four. Ask friends or business associates for recommendations about advertising agencies. Check the ads in the newspaper, or on the radio, for ones you like and find out who did them.

Step 2. Evaluate the agency by the criteria listed

It is rare to find just the right agency to work with the first time you look. This worksheet gives you a common basis on which to measure those you talk to.

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Step 1.

Agency_____

Address_____

Phone_____

Name/s of principle/s_____

Step 2.

EVALUATION CRITERIA	COMMENTS
( )List of current clients	_____
( )Samples of work done	_____
( )References from clients	_____
( )References from media	_____
( )Agency brochure	_____

In the spaces provided make notes for future reference

Has this agency has done advertising for a similar business?

_____

Can I work with the individuals who would be handling my account?

_____

What experience does this agency have which is applicable to my business?

_____

What suggests that these individuals have an understanding of my needs?

_____

How does this agency handle billing? What is their track record in paying bills?

_____

How creative is this agency's work?

_____

Timetable

Use this worksheet to determine the progression of your promotional efforts. Stick to the timelines you set and you will ensure that the jobs get done. This sheet will also help you determine if you have too many activities and not enough time or staff to get all the jobs done.

Step 1. Identify key activities

Copy the list of activities for the present quarter from page 19 of this workbook.

Step 2. Assign responsibility for each activity

For each activity you have defined, assign supervision of its implementation and completion to one person within the company.

Step 3. Set a scheduled starting date

Decide when you will begin work on each activity. Note whether or not other activities will be performed at the same time.

Step 4. Set a scheduled finish date

Decide when you plan to have the activity completed. For on-going activities such as advertising, you can set a date on which your intensive involvement will end.

Step 5. Evaluate the effectiveness of your efforts

After completion of the activity or campaign, determine if it accomplished the goal you set out for it. The goal might be financial, or related to image building and visibility. In either case, it is an important element of your marketing program to constantly measure its success and establish new goals for the future.

Step 1. **Activity**	Step 2. **Person**	Step 3. **Start**	Step 4. **Finish**	Step 5. **Evaluation**

Some Resources to Use in Your Promotional Planning

This section includes a list of some common sources of information you can use to conduct your marketing.

Advertising Planning Calendar

Frequently a local newspaper publishes an advertising planning calendar. This calendar will list by month all pay periods, holidays, and most frequently purchased goods and services. Since sales promotions benefit from coinciding with paydays, this can be a valuable resource for tracking and projecting, not just print, but broadcasting advertising plans.

Media Packets

Most media salespeople carry packets of information regarding their particular station's rates, markets, etc. If you wade past all the sales pitches, you can often find a lot of very useful information regarding the market for that station.

Magazines and newspapers also provide media packets, but you often must write to receive one. It is well worth the stamp to request a media packet from a national magazine. These publications spend thousands of dollars each year gathering data for their advertisers.

SRDS (Standard Rate and Data Service)

The SRDS is a "catalog" of national media services. In it you will find a listing for every magazine (or newspaper, radio station, etc. depending on the volume you use) in the country. You will also find information regarding editorial content, advertising rates, mechanical requirements for advertising, the names of who to contact for information, and circulation figures. It is an invaluable resource for evaluating media. You can generally find one in the reference section of any public or university library.

The Small Business Administration (SBA)

This federal program specializes in providing both financial and advisory assistance to small businesses throughout the country. You can get in touch with the SBA through your local community college or write:

U.S. Small Business Administration
Federal Building
1220 SW Third Ave., Room 676
Portland, OR 97204

Associations

Most industries have a national association. If you already belong to an association, write and ask them to send information about the market for your product or service. Many national associations spend thousands of dollars every year gathering data for their members. You should use it!

The Small Business Development Center (SBDC)

Your local Oregon Community College or State College has a Small Business Development Center specifically established to provide services and resources to Oregon's small business community.

The SBDC network is comprised of 20 regional Centers and two outreach programs. Each Center has a wide variety of services, including business resource libraries, business seminars, and one-on-one counseling.

One SBDC resource of particular use is the *Small Business Bibliography*. In it you will find references to hundreds of publications on just about every topic of interest to the small business owner.

SCORE (Service Corps of Retired Executives)

SCORE is a national organization of retired business people who volunteer their time to advise small business owners.

SCORE volunteers often have many years experience in operating both large and small businesses. They can often provide practical insights few others possess. They really understand the problems of running a business.

Internal information

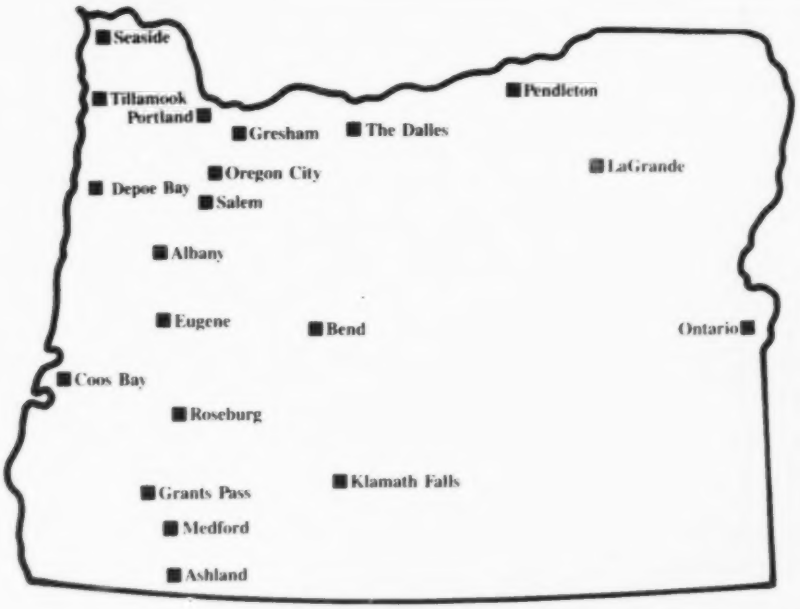
Many business owners fail to take advantage of information resources which already exist within their own companies. Business records, client lists, and past employees are all important resources for developing information about your business and its market.

Oregon Economic Development Department
595 Cottage Street, NE
Salem, Oregon 97310

(503) 373-1200

Notes

Oregon Small Business Development Center Network



OSBDCN
State office
Lane Community College
1059 Willamette St. Eugene, OR 97401
(503) 726-2250

Albany
Linn-Benton Community College
6500 S.W. Pacific Blvd. Albany, OR 97321
967-6112

Ashland
Southern Oregon State College, Ashland
Regional Services Institute Ashland, OR 97520
482-5838

Bend
Central Oregon Community College
2600 N.W. College Way Bend, OR 97701
385-5524

Coos Bay
Southwestern Oregon Community College
1988 Newmark St. Coos Bay, OR 97420
888-2525 ext. 259

Depoe Bay
Oregon Coast CC Service District
P.O. Box 29, Mall 101, Suite A
Depoe Bay, OR 97341-0029
765-2627

Eugene
Lane Community College
1059 Willamette St. Eugene, OR 97401
726-2255

Grants Pass
Rogue Community College
206 N.E. 7th St. Grants Pass, OR 97526
474-0762

Gresham
Mt. Hood Community College
26000 S.E. Stark St. Gresham, OR 97030
667-7658

Klamath Falls
Oregon Institute of Technology
3201 Campus Drive Klamath Falls, OR 97601
883-7556; 883-7562

LaGrande
Eastern Oregon State College
Regional Services Institute LaGrande, OR 97850
963-1391

Medford
Southern Oregon State College, Medford
229 N. Bartlett Medford, OR 97501
772-3478

Ontario
Treasure Valley Community College
173 S.W. 1st St. Ontario, OR 97914
889-2617

Oregon City
Clackamas Community College
108 8th St. Oregon City, OR 97045
656-4447

Pendleton
Blue Mountain Community College
37 S.E. Dorian Pendleton, OR 97801
276-6233

Portland
Small Business International Trade Program
P.O. Box 751
615 S.W. Harrison Portland, OR 97207
464-3257

Portland
Portland Community College
221 N.W. 2nd Ave., 3rd Floor Portland, OR 97209
273-2828

Roseburg
Umpqua Community College
744 S.E. Rose Roseburg, OR 97470
672-2535; 672-3679

Salem
Chemeketa Community College
365 Ferry St. S.E. Salem, OR 97301
399-5181

Seaside
Clatsop Community College
1240 S. Holladay Seaside, OR 97138
738-3347

The Dalles
Treaty Oak CC Service District
212 Washington The Dalles, OR 97058
296-1173

Tillamook
Tillamook Bay CC Service District
401 B Main St. Tillamook, OR 97141
842-2551